

## JCCR MEETING

At its December 18<sup>th</sup> meeting, the Joint Committee on Capital Review considered the following issues:

**ASU Lease Purchase and Bond Projects** – The JCCR favorably reviewed the issuance of Certificates of Participation (COPs) in the amount of \$73 million for construction of Phase 2 of the Arizona Biodesign Institute at Arizona State University (ASU). The COPs will be repaid over a 25-year period using some of the COP issuance to make interest only payments on the debt service through FY 2007, after which General Fund appropriations from Laws 2003, Chapter 267 will be used to make the payments.

The Committee also gave a favorable review to the issuance of revenue bonds in the amount of \$17 million for Instruction and Research renovations on the ASU Main Campus and infrastructure upgrades at the East and West Campuses. The bonds will be repaid over a 30-year period from tuition collections and indirect cost recovery monies. The Committee requested that ASU report on the final scope of work and estimated cost of these individual projects prior to starting any construction.

The Committee favorably reviewed the change in scope and estimated costs for the Parking Structure bond project and Packard Stadium Clubhouse and Field Renovation lease purchase project. The Parking Structure will have 1,635 spaces instead of 1,500 spaces at an increased cost of \$1.3 million to be funded from parking reserve funds. The Packard Stadium renovations will also include elevator equipment, batting facility canopy, athletic flooring and office space at an increased cost of \$200,000 to be funded from gift donations.

**School Facilities Board Reports** – The JCCR received the School Facilities Board (SFB) report on new school construction. The Committee is required to review the report but chose to defer action and requested SFB work with JLBC Staff to submit additional information to the Committee at its next meeting regarding new school construction cost estimates for FY 2005.

The Committee also deferred action on the New School Facilities Litigation Account until SFB submits information on potential litigation. The account is to be used to pay the expenses associated with any litigation in which SFB pursues the recovery of damages for correcting deficiencies resulting from design or construction defects. To date, no litigation has been pursued. The board is identifying potential projects.

The Committee also received the School Facilities Board report on its instructions to the Treasurer to transfer \$134.9 million from sales tax revenue in FY 2005. The amount represents monies to be transferred to the Building Renewal Fund based on a formula calculation. SFB will not instruct the Treasurer to transfer any monies to the Deficiencies Correction Fund or the New School Facilities Fund. Laws 2003, Chapter 2, 1<sup>st</sup> Special Session appropriates \$100 million in FY 2005 to the Deficiencies Correction Fund to complete the program. SFB plans to enter into \$250 million in lease-to-own agreements to finance new school construction costs in FY 2005.

**SFB New School Construction Projects** – The JCCR favorably reviewed the SFB list of \$57.2 million in potential new school construction projects to be financed with the remaining \$50 million in lease-purchase authority. The Committee requested that SFB submit a list of the final projects that will total \$50 million. The list includes 7 projects in 6 school districts.

**ADOT Traffic Congestion and Unit Cost Measures** – The JCCR received information from the Arizona Department of Transportation (ADOT) related to traffic congestion performance measures and unit cost measures. ADOT decided not to propose new traffic congestion measures, but did add the Ina Road segment on Interstate 10 to the congestion performance measure for the Tucson area. ADOT also submitted information on available data for unit cost measures related to highway construction, maintenance, landscaping and litter pick up, as well as Motor Vehicle Division transactions. The Chairman of the Committee requested that ADOT calculate the measures submitted.